

VZCZCXRO4695

PP RUEHFK RUEHKSO RUEHNAG RUEHNH
DE RUEHKO #2727/01 2740817

ZNR UUUUU ZZH

P 300817Z SEP 08

FM AMEMBASSY TOKYO

TO RUEHC/SECSTATE WASHDC PRIORITY 7595

INFO RUEKJCS/SECDEF WASHDC PRIORITY

RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY

RUEAWJA/USDOJ WASHDC PRIORITY

RULSDMK/USDOT WASHDC PRIORITY

RUCPDOC/USDOC WASHDC PRIORITY

RUEAIIA/CIA WASHDC PRIORITY

RUEKJCS/JOINT STAFF WASHDC//J5//

RHHMUNA/HQ USPACOM HONOLULU HI

RHHMHBA/COMPACFLT PEARL HARBOR HI

RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//

RHMFIUU/USFJ //J5/J021//

RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA

RUAYJAA/CTF 72

RUEHNH/AMCONSUL NAHA 2476

RUEHFK/AMCONSUL FUKUOKA 0119

RUEHOK/AMCONSUL OSAKA KOBE 3861

RUEHNAG/AMCONSUL NAGOYA 8207

RUEHKSO/AMCONSUL SAPPORO 0694

RUEHBJ/AMEMBASSY BEIJING 5585

RUEHUL/AMEMBASSY SEOUL 1578

RUCNDT/USMISSION USUN NEW YORK 1860

UNCLAS SECTION 01 OF 17 TOKYO 002727

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAQ](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 09/30/08

INDEX:

(1) Kyodo News poll on Aso cabinet, political parties (Tokyo Shimbun)

(2) Spot poll on Aso cabinet, political parties (Yomiuri) 4

(3) Government and ruling parties plan to start deliberations on supplementary budget on Oct. 6, with Lower-House dissolution after the 9th (Tokyo Shimbun)

(4) US financial crisis: Prime minister orders finance minister to prevent global financial system from collapsing (Sankei)

(5) Executive Council Chairman Sasagawa: Bailout legislation was rejected because House speaker is a woman (Asahi)

(6) Prime Minister Aso's residence in prime real estate in Shibuya Ward, with area of 2,400 m² and land price 5 billion yen (Tokyo Shimbun)

(7) Okinawa seminar held for U.S. soldiers (Okinawa Times) 8

(8) JCG prepared to use force to prevent acts of terrorism (Tokyo Shimbun) 8

(9) Interview with former Vice Foreign Minister Shotaro Yachi: Continuing refueling mission important (Yomiuri)

(10) Minimum access rice creates deficit of 104.4 billion yen over five years: Tainted rice contaminates those involved in the business (Tokyo Shimbun)

(11) First Shimoda Conference in 1967 paved way for private-sector exchanges between Japan and U.S. (Tokyo Shimbun)

(12) TOP HEADLINES

(13) EDITORIALS

(14) Prime Minister's schedule, September 29 (Nikkei)

ARTICLES:

(1) Kyodo News poll on Aso cabinet, political parties

TOKYO SHIMBUN (Page 2) (Full)
September 26, 2008

Questions & Answers

(Figures shown in percentage. Parentheses denote the results of the last survey conducted Sept. 2-3.)

Q: Do you support the Aso cabinet?

Yes 48.6
No 32.9
Don't know (D/K) + no answer (N/A) 18.5

Q: (Only for those who answered "yes" to the previous question)
What's the primary reason for your approval of the Aso cabinet? Pick only one from among those listed below.

The prime minister is trustworthy 15.4
Because it's a coalition cabinet of the Liberal Democratic Party and

TOKYO 00002727 002 OF 017

New Komeito 4.9
The prime minister has leadership ability 16.6
Something can be expected of its economic policies 17.6
Something can be expected of its foreign policies 1.9
Something can be expected of its political reforms 4.8
Something can be expected of its tax reforms 1.7
Something can be expected of its administrative reforms 1.7
There's no other appropriate person (for prime minister) 31.9
Other answers (O/A) 1.8
D/K+N/A 1.7

Q: (Only for those who answered "no" to the first question) What's the primary reason for your disapproval of the Aso cabinet? Pick only one from among those listed below.

The prime minister is untrustworthy 11.4
Because it's a coalition cabinet of the Liberal Democratic Party and the New Komeito 20.8
The prime minister lacks leadership ability 5.3
Nothing can be expected of its economic policies 14.9
Nothing can be expected of its foreign policies 1.2
Nothing can be expected of its political reforms 13.6
Nothing can be expected of its tax reforms 2.3
Nothing can be expected of its administrative reforms 8.7
Don't like the prime minister's personal character 14.0
O/A 2.2
D/K+N/A 2.6

Q: Can you hold up a hope for Prime Minister Taro Aso's appointees for his cabinet and his party's executive lineup?

Yes 28.7
No 46.6
Can't say which 14.0
D/K+N/A 10.7

Q: What's your impression of the new cabinet's lineup? Pick only one.

Faction-free, fresh 6.1
Reform-oriented 8.8
Dignified, stable 8.4
None the better for the change 38.7

Faction-bound with no image of reform 15.7
Quite disappointing 10.4
O/A 2.6
D/K+N/A 9.3

Q: What do you think the new cabinet should pursue first?

Social security, such as pension and healthcare systems 35.2
Economic measures, job security 25.5
Social divide 5.2
Fiscal reconstruction, tax reform 17.3
Education 3.2
Diplomacy, national security 2.0
Politics and money 3.7
Constitutional revision 1.6
Administrative reform 3.7
O/A 0.6
D/K+N/A 2.0

TOKYO 00002727 003 OF 017

Q: Some lawmakers in the ruling parties are saying the House of Representatives should be dissolved for a general election without enacting the supplementary budget, including an economic stimulus package, in the extraordinary Diet session. Do you think it would be better to dissolve the House of Representatives right away for a general election without enacting the supplementary budget, or do you otherwise think it would be better to dissolve the Diet after grappling with the extra budget including economic stimulus measures?

Dissolve the Diet right away for a general election 23.5
After tackling economic stimulus measures 69.4
D/K+N/A 7.1

Q: Would you like the present LDP-led coalition government to continue, or would you otherwise like it to be replaced with a DPJ-led coalition government?

LDP-led coalition government 38.1 (43.3)
DPJ-led coalition government 43.8 (41.7)
D/K+N/A 18.1 (15.0)

Q: Which political party are you going to vote for in the next House of Representatives election in your proportional representation bloc?

Liberal Democratic Party (LDP) 34.9 (38.4)
Democratic Party of Japan (DPJ or Minshuto) 34.8 (34.9)
New Komeito (NK) 5.7 (4.3)
Japanese Communist Party (JCP) 2.7 (2.2)
Social Democratic Party (SDP or Shaminto) 1.2 (2.0)
People's New Party (PNP or Kokumin Shinto) 0.4 (0.5)
New Party Nippon (NPN or Shinto Nippon) 0.2 (0.5)
Other political parties, groups --- (0.3)
D/K+N/A 20.1 (16.9)

Q: An election for the House of Representatives is said to be a battle of party leaders. Which one between Prime Minister Aso and DPJ President Ichiro Ozawa do you think is more appropriate for prime minister?

Taro Aso 53.9
Ichiro Ozawa 29.4
D/K+N/A 16.7

Q: Which political party do you support?

Liberal Democratic Party (LDP) 37.0 (36.8)
Democratic Party of Japan (DPJ or Minshuto) 28.3 (27.0)
New Komeito (NK) 4.7 (2.5)
Japanese Communist Party (JCP) 2.4 (1.7)
Social Democratic Party (SDP or Shaminto) 1.2 (1.9)
People's New Party (PNP or Kokumin Shinto) 0.3 (0.4)
New Party Nippon (NPN or Shinto Nippon) 0.2 (0.8)
Other political parties, groups --- (---)

None 23.1 (26.8)
D/K+N/A 2.8 (2.1)

Polling methodology: The survey was conducted across the nation by Kyodo News Service from the evening of Sept. 24 through Sept. 25 on a computer-aided random digit dialing (RDD) basis. Among randomly

TOKYO 00002727 004 OF 017

generated telephone numbers, those actually for household use with one or more eligible voters totaled 1,455. Answers were obtained from 1,028 persons.

(2) Spot poll on Aso cabinet, political parties

YOMIURI (Page 9) (Full)
September 26, 2008

Questions & Answers
(Figures shown in percentage)

Q: Do you support the Aso cabinet?

Yes 49.5
No 33.4
Other answers (O/A) 0.4
No answer (N/A) 16.8

Q: (Only for those who answered "yes" to the foregoing question)
Pick only one from among the following five reasons for your approval of the Aso cabinet.

Something can be expected of its policy measures 25.5
The prime minister has leadership 33.8
There's something stable about the prime minister 10.6
His cabinet's lineup is good 5.3
Because it's a coalition of the Liberal Democratic Party and New Komeito 15.6
O/A 2.0
N/A 7.1

Q: (Only for those who answered "no" to the foregoing question) Pick only one from among the following five reasons for your disapproval of the Aso cabinet.

Nothing can be expected of its policy measures 30.1
The prime minister lacks leadership 4.5
There's nothing stable about the prime minister 9.6
His cabinet's lineup is not good 10.6
Because it's a coalition of the Liberal Democratic Party and New Komeito 37.7
O/A 3.0
N/A 4.5

Q: Which political party do you support now? Pick only one.

Liberal Democratic Party (LDP) 37.4
Democratic Party of Japan (DPJ or Minshuto) 22.8
New Komeito (NK) 3.1
Japanese Communist Party (JCP) 3.1
Social Democratic Party (SDP or Shaminto) 1.8
People's New Party (PNP or Kokumin Shinto) 0.2
New Party Nippon (NPN or Shinto Nippon) 0.1
Other political parties ---
None 26.4
N/A 5.2

Q: Which one do you think is more appropriate for prime minister between Prime Minister Aso and DPJ President Ichiro Ozawa?

Prime Minister Aso 53.6

TOKYO 00002727 005 OF 017

DPJ President Ozawa 25.9
N/A 20.6

Q: Five candidates, including Prime Minister Aso, ran in the LDP presidential election. What's your impression of the LDP?

Improved 10.7
Worsened 16.1
Unchanged 70.8
N/A 2.4

Q: In the Aso cabinet, Mr. Kaoru Yosano has been retained as economic and fiscal policy minister. Do you appreciate this?

Yes 45.6
No 26.8
N/A 27.6

Q: Ms. Yuko Obuchi has been appointed to the post of state minister for declining birthrate. Do you appreciate this?

Yes 39.5
No 39.8
N/A 20.7

Q: What issues do you want the Aso cabinet to pursue on a priority basis? Pick as many as you like from among the following six items, if any.

Economic measures 83.0
Fiscal reconstruction 63.4
Pension issue 79.0
Healthcare for elderly people 72.3
North Korea 59.6
Food safety 78.7
O/A 0.7
Nothing in particular 1.1
N/A 0.7

Q: The LDP and the New Komeito have agreed to review the healthcare system for the elderly. Do you appreciate this?

Yes 67.5
No 18.8
N/A 13.7

Q: Do you think it would be better to dissolve the House of Representatives for a general election as early as possible, or do you otherwise think there's no need to be in a hurry?

As early as possible 39.1
No need to be in a hurry 50.8
N/A 10.1

Q: If an election were to be held now for the House of Representatives, which political party would you like to vote for in your proportional representation bloc?

LDP 37.0
DPJ 29.5
NK 3.5
JCP 3.3

TOKYO 00002727 006 OF 017

SDP 2.2
PNP 0.6
NPN ---
Other political parties ---
Undecided 17.0
N/A 6.9

Q: Would you like an LDP-led government after the next election for the House of Representatives, or would you otherwise like a DPJ-led government?

LDP-led government 46.9
DPJ-led government 35.6
O/A 2.4

Polling methodology: The survey was conducted across the nation from 8 p.m., Sept. 24, through Sept. 25, on a computer-aided random digit dialing (RDD) basis. Households with one or more eligible voters totaled 1,847. Valid answers were obtained from 1,080 persons (58.5 PERCENT).

(Note) In some cases, the total percentage does not become 100 PERCENT due to rounding.

(3) Government and ruling parties plan to start deliberations on supplementary budget on Oct. 6, with Lower-House dissolution after the 9th

TOKYO SHIMBUN (Internet edition) (Full)
September 30, 2008

The government and ruling camp today have set a policy course of entering into deliberations on the fiscal 2008 supplementary budget bill in the Lower House Budget Committee on Oct. 6 in order to have it passed early. Accordingly, dissolution of the Lower House would then most likely take place on or after Oct. 9, when deliberations on the budget bill apparently would be over.

Liberal Democratic Party (LDP) Diet Affairs Committee Chairman Tadamori Oshima this morning met with New Komeito Diet Affairs Committee Yoshio Urushibara in the Diet, and the two transmitted their intention to Prime Minister Taro Aso, who would like to have the budget deliberated on and passed. The two parties now will hold a meeting of the secretaries general and Diet affairs committee chairmen to agree on aiming at an early passage of the bill. In order to respond to the growing fear that a global financial crisis is spreading, the two parties have decided to put together a ruling parties' project team for measures to counter the international financial problem and then present the plan to the government.

The ruling parties having judged that it needed to watch carefully the response of the opposition camp, at first placed in reserve its handling of deliberations on the supplementary budget bill. However, a senior LDP lawmaker, saying, "We have already entered the election campaign," took the view that the election schedule of holding the vote on Nov. 2 would not change.

(4) US financial crisis: Prime minister orders finance minister to prevent global financial system from collapsing

Sankei online (Full)

TOKYO 00002727 007 OF 017

12:08, September 30, 2008

Following turmoil in the markets as a result of a financial crisis that started in the U.S., Prime Minister Taro Aso this morning told Finance Minister Shoichi Nakagawa, who doubles as state minister for financial services, "We must prevent the current financial crisis from affecting Japan's real economy. I would like you to take joint steps both at home and abroad so as to prevent the collapse of the financial system."

The prime minister later told reporters at the Kantei, "Everybody talks about the situation in the U.S. However, the situation in Europe is also serious. Japan has made good use of its bitter experience 10 years ago. We must carefully monitor the situation so that the U.S.-induced financial crisis will not spill over into our country."

The U.S. House of Representatives voted down a government-sponsored financial stabilization bill designed to purchase bad loans from financial institutions, using funds up to 700 billion dollars (approximately 75 trillion yen). Aso asked Nakagawa to explain this. Nakagawa replied, "More talks will be held in an effort to pass that bill. I hope they find a way to reach a breakthrough."

In this connection, Chief Cabinet Secretary Takeo Kawamura during a press briefing this morning underscored, "Japan has already taken

measures to address the possible impact of the current crisis on the financial sector. Japan's financial institutions have a strong structure with few flaws. The situation requires us to be on maximum alert. However, whether the crisis will have an immediate effect on Japan's real economy is another story."

(5) Executive Council Chairman Sasagawa: Bailout legislation was rejected because House speaker is a woman

ASAHI Online
September 30, 2008

In response to a proposed financial bailout plan rejected by the U.S. House of Representatives, Liberal Democratic Party's Executive Council Chairman Takashi Sasagawa said in reply to questions by reporters this morning: "The House speaker is a woman. I think her way of demonstrating leadership is somewhat different from men's. That might be the reason why the bill was rejected." The remark, which could be taken as discriminating against women, might set off sparks.

Sasagawa also told reporters regarding Prime Minister Aso's proposal for tax breaks on securities investments: "Securities investments by young people should be made tax-free. It is irrational to make rich elderly people eligible for tax breaks."

(6) Prime Minister Aso's residence in prime real estate in Shibuya Ward, with area of 2,400 m² and land price 5 billion yen

TOKYO SHIMBUN (Page 11)
Evening, September 29, 2008

Prime Minister Taro Aso's residence is located in Kamiyama-cho, Shibuya Ward. Kamiyama-cho is an exclusive residential district in Tokyo on a par with Shoto, which is adjacent to it. Aso's residence, located at the top of a hill, is a three-story wooden house in

TOKYO 00002727 008 OF 017

Western style with the ground area of 2,400 square meters.

A real-estate agency in the neighborhood said: "Even though land prices in Shibuya Ward have dropped, the price of an area of 3.3 square meters in that district would be 8 million yen." The value of such a site alone would generally be more than 5 billion yen. The lot area that later was divided by Aso and his younger brother Yukata was more than 5,000 square meters.

Police officers stand 100 meters apart around Aso's residence. As soon as I arrived in front of the residence, I was surrounded by five to six police officers who asked me the name of my company, contact information, and the purpose of my news gathering.

When I went downhill, I found a traditional shopping district. A 64-year old man running a butcher's shop said: "When Takakichi Aso, Taro's father, was alive, I used to deliver first-rate meat to the family." According to the butcher's shop owner, at that time there were maids and cooks in Aso's residence and at times full-course French dinners were served.

The shop owner said: "I haven't received any orders from Taro Aso" after Takakichi died. He said with a laugh: "Since Taro's home constituency is not Shibuya, I felt nothing even he becomes prime minister. Even if I delivered meat by bike, the contents would be checked."

A male barbershop owner said:

"Former Prime Minister Shigeru Yoshida, Aso's grandfather, came to Aso's residence led by police cars to see his daughter and grandchildren. The streets were closed to traffic. Those who live on the hill are strangers to this shopping street."

On the afternoon of Sept. 29, Aso will deliver a policy speech in the plenary sessions of the Lower and Upper Houses. With the resignation of Land, Infrastructure and Transport Minister Nakayama over his controversial remarks after serving in his post only five

days, the upcoming extraordinary Diet session will tend to be turbulent. A 54-year old housewife living near Aso's residence said:

"The minister's resignation over his gaffes is a bad sign for the Aso cabinet. The prime minister himself had made a series of controversial remarks. When the Aso administration ends, it may be called a cabinet of careless remarks. I want to see an early election."

A 21-year old male college student living in Shibuya Ward, on the way to school, said with a smile: "I didn't know that Aso's residence is located in a rich neighborhood in Shibuya. He can buy comic books without thinking how much money he has in his wallet. I envy him."

(7) Okinawa seminar held for U.S. soldiers

OKINAWA TIMES (Page 24) (Full)
September 30, 2008

The Foreign Ministry held a seminar yesterday at Camp Zukeran (Camp Foster) in the village of Kitanakagusuku to help U.S. military personnel promote their understanding of Okinawa. The seminar was

TOKYO 00002727 009 OF 017

aimed to eliminate incidents and accidents involving U.S. military personnel. About 250 U.S. Marines stationed at the base attended the two-hour seminar and learned about Okinawa's postwar history and dietary culture.

The seminar started in 2007. The one held this time was a sixth session and open to the press for the first time.

As one of the guest speakers to the seminar, Kazuhiko Nakamoto, who studies Okinawa's postwar history, noted that the U.S. military requisitioned land in Okinawa with "bayonet and bulldozer" to construct its bases, adding that the local residents are frustrated at the repeated occurrences of incidents and accidents involving U.S. military personnel.

Nakamoto cited the Koza uproar of 1970 as an example of what resulted from local frustration.

Katsumi Kinjo, a court interpreter, explained that Okinawa's climate is mild and its people have the habit of eating pork. She also emphasized that cannabis is prohibited in Japan. She also called the participants' attention to use moderation in drinking.

Marine Foreign Policy Chief Col. Dan Melton suggested the need for the Okinawa-based Marines and families to have correct understanding of Okinawa in order to have a "wonderful relationship" with local communities.

(8) JCG prepared to use force to prevent acts of terrorism

TOKYO SHIMBUN (Page 28) (Abridged slightly)
September 25, 2008

By nuclear-powered aircraft carrier news coverage team

On September 12, before the arrival of the U.S. nuclear-powered aircraft carrier George Washington (GW) at Yokosuka, an incident occurred in which explosives believed to have aimed at the U.S. naval base in the city were detonated, raising a sense of alarm against acts of terrorism at a stroke.

How should terrorist attacks on nuclear-powered vessels be prevented? What damage would be caused by an attack? Security personnel, including police, are now under heavy pressure to be prepared for unprecedented events.

On October 12, 2000, a rubber boat loaded with explosives ran into the USS Cole, a U.S. Navy Aegis-equipped destroyer docked in the Yemen port of Aden, crippling the vessel and killing 17 sailors.

A senior officer of the Japan Coast Guard (JCG), which is responsible for maritime security, including Tokyo Bay, pensively said: "Even if a similar attack occurs, would the nuclear reactors be free from damage? We should be prepared to use even force to stave off damage."

Finding suspicious boats is essential in preventing maritime terrorism. With 500 to 700 vessels passing through it daily, the Uraga Strait, through which the GW also travels, is one of the world's most congested shipping routes.

TOKYO 00002727 010 OF 017

The JCG has deployed dozens of vessels, including patrol boats equipped with machine guns, patrol helicopters, and security personnel armed with automatic rifles. Calling on fishing boats to stay away from the aircraft carrier, the GCJ is making utmost efforts to prevent acts of terrorism.

What if terrorists still tried to attack it? The senior JCG officer noted: "It is difficult to use firearms in the crowded bay, but if an approaching suspicious boat is certain to throw the area into turmoil, we have to use them."

There is also concern over terrorist attacks on aircrafts, as was the case in the United States. Approximately 50 commercial planes headed for Kansai area from Haneda Airport fly over the Yokosuka base daily.

With the aim of preventing plane crashes from resulting in secondary disasters, there are restrictions on flights over nuclear facilities, such as nuclear power plants. The government has exempted nuclear-powered vessels from the restrictions. Concerned local residents have filed a lawsuit against the government, seeking flight restrictions.

The threat of terrorism is not confined to when the George Washington is docked in the Yokosuka naval base. The senior JCG officer said anxiously: "An act of terrorism occurs when least expected. We must remain vigilant at all times."

(9) Interview with former Vice Foreign Minister Shotaro Yachi:
Continuing refueling mission important

YOMIURI (Page 4) (Full)
September 30, 2008

-- Some in China and South Korea are wary of Prime Minister Aso's policy stance, seeing him as hawkish.

Two main characteristics are cited in Prime Minister Aso's foreign policy. One is a way of strategic thinking. He suggests that while meeting in the ring with such big powers as the U.S. and Russia, Japan should also establish close ties with countries with which Japan has not seriously faced, as shown in his proposed concept of an Arc of Freedom and Prosperity (policy of helping countries in areas ranging from northern Europe to Central and Southeast Asia in having democracy settled down and developing their economies). The other distinction is a way of pragmatic thinking with a strong sense of business. He does not have such rigid views like the hawks but has flexible views.

-- No prospects are still in sight for an extension of the Maritime Self-Defense Force's refueling mission in the Indian Ocean.

There was a case in which the coalition force's vessel provided cover to a Japanese tanker that was about to be attacked. If Japan, while suspending the refueling service, asks for their help when Japanese ships are under attack, the nation will never be able to develop persuasive diplomacy. The U.S. highly evaluates Japan's refueling operation and has expectations for its continued service. If Japan suspends the service, it will have to start building a relationship with the new U.S. president in a negative phase. The Democratic Party of Japan (DPJ) has insisted that Japan should discontinue the refueling operation, but the propriety of its view

should be discussed.

-- Do you have any memory about Mr. Aso when he was foreign minister?

He was very cheerful, and I sensed he was broad-minded enough to be able to be at the senior level of an organization. He loves comics and knows words used by young people and their feelings more than bureaucrats. He always carefully listened to young staff members.

-- How do you evaluate the DPJ's foreign policy?

I do not think there is a wide gap in the foreign policies of the Liberal Democratic Party and the DPJ. DPJ President Ozawa, however, seems to be inclining toward the policy of centering diplomacy on the United Nations. Given that a plan will never be implemented if even one permanent UNSC member raises its opposition, even though all other nations in the world support it, we must be cautious about the UN-first principle.

(10) Minimum access rice creates deficit of 104.4 billion yen over five years: Tainted rice contaminates those involved in the business

TOKYO SHIMBUN (Page 28) (Excerpts)
September 28, 2008

As the police investigation into the illegal resale of tainted rice progresses, a chain of horror stories, involving Japanese-style confection stores, breweries, and even day-care centers for children, are being revealed. The Ministry of Agriculture, Forestry and Fisheries (MAFF), which allowed the illegal resale of contaminated rice to occur with a sloppy handling of minimum-access rice, is heavily responsible for the situation. Most of tainted rice is minimum-access rice, which the government is obliged to import. Investigation into what happened by this newspaper has revealed a disconsolate fact.

The government has run up a deficit of 104.4 billion yen in only five years since imports of minimum-access rice started in fiscal 2002.

Stockpiles on increase, while earnings on decline

Where do deficits of minimum-access rice come from? Tokyo Shimbun made two charts (omitted by the translator), based on data included in the fiscal 2005 financial and inspection results compiled by the Board of Audit, added to the latest figure for fiscal 2006. The graphs show that as the stockpiles of the government's minimum-access rice increase, income from the rice has been on the decline.

The government sells imported minimum-access rice to private companies for processing. However, if demand is small, the stockpiles grow. Storage charges also increase. In fiscal 1995, when the government decided to import minimum-access rice, storage charges were 600 million yen. However, by fiscal 2005, such charges had jumped to 17 billion yen. At the time, stockpiles reached 1.82 million tons. One reason for that is a decline in domestic demand for rice. However, the government is heavily responsible for the increase in storage charges because of its failure to make a full effort to boost the use of minimum-access rice.

TOKYO 00002727 012 OF 017

The tainted rice issue can be directly related to the facts that though the proportion of minimum-access rice stored for more than three years stood at below 10 PERCENT as of the end of fiscal 2002, the share as of the end of 2005 jumped to nearly 40 PERCENT .

As rice becomes old, it becomes difficult to find buyers. Chances are that the proportion of rice damaged by mold or water will

increase. Given the graph of the amount of usage-specific minimum-access rice, there is a large proportion of rice that can have other uses. Tainted or moldy rice can be used to make residual pesticide, such as methamidophos. Such rice was sold for virtually nothing to such companies as Mikasa Foods, a rice powder processing company, which illegally resold that rice.

Total of more than 20,000 tons of tainted rice sold

A total of 20,767 tons of tainted rice have been sold since imports of minimum-access rice started. Only 7 tons of such rice was released in fiscal 1995. However, in fiscal 2005, 1,781 tons were sold. Over three years, only about 4,000 tons of such rice were sold.

One storekeeper, who had bought tainted rice without knowing it and is now suffering from harmful rumors, complained, "It is impossible for MAFF to have overlooked the resale of tainted rice, since it had inspected the company several dozen times. The ministry might have known that an irregularity was going on." Given the deficits incurred from minimum-access rice, there is an enough motive for the ministry to welcome the companies that bought the tainted rice.

Descent-from-heaven practice again, involving Japan Grain Storage Association, Japan Grain Inspection Association

Minimum-access rice is stored not only in government warehouses but also private storehouses. The Japan Grain Storage Association signs storage contracts with the government, entrusted by private warehouse companies. It is joined by about 560 warehouse companies.

There are 71 executive directors. However, only three are employed on a full-time basis. Those posts are offered to officials who have retired from the former Food Agency (now MAFF General Food Policy Bureau).

"Storage technology needed"

One senior managing director who landed a job there stressed, "It is necessary to store rice while keeping up its quality. The association does an important job. Former MAFF officials work for the association, because the managers are required to have rice storage technology. Personnel appointments must be approved by the association."

Another executive director was until March 2006 the head of the Osaka Agricultural Administration Office, which has jurisdiction over Mikasa Foods. It was the time when that company resold tainted rice and a division director, one of the staff members of that executive director, was treated to wining and dining by the company.

The Japan Grain Inspection Association is another public-interest corporation involved in minimum-access rice. It inspects both

TOKYO 00002727 013 OF 017

domestic and foreign rice and analyzes their constituent parts. According to its business report, it inspected 550,000 tons or 80 PERCENT of minimum-access rice the government imported in fiscal 2007.

Its list of executives includes former MAFF officials. In particular, the post of chairman has been successively filled by former vice MAFF ministers, the top official among working-level officials at MAFF. Among nine permanent executives, three were former government officials.

Toshio Suzuki (67), a food safety consultant and a former MAFF career engineering official, explained about the golden parachute practice: "Incumbent staff members of entities that accept retired government officials plans (how many former government officials they can accept) and obtain approval from a top person among retired officials. Both incumbent officials and retired officials ask for approval from that top person. If they listen to what that boss says, the boss will take care of them until they turn 70."

He expressed disapproval of the way MAFF does things: "Former MAFF officials, having been part of the ministry that caused massive losses to the industry due to the BSE issue, are enjoying an elegant lifestyle at companies where they landed positions after retiring from the ministry. They all should have taken responsibility. This is breach of trust. The same holds true of the tainted rice incident. Golden parachute practices involving retired MAFF official will continue."

Prime Minister Aso said in an inaugural speech delivered on the 24th said, "My policy will be based on the public. I will fully utilize bureaucrats. Priority should be given not to ministry interest but to national interest." The minimum-access rice is the best chance for him to put those words into practice.

(11) First Shimoda Conference in 1967 paved way for private-sector exchanges between Japan and U.S.

TOKYO SHIMBUN (Page 2) (Full)
September 28, 2008

By Yoichi Toyoda

On Sept. 14, 1967, approximately 70 Japanese and American leaders from all quarters assembled at a hotel in Shimoda City, Shizuoka Prefecture, at the tip of the Izu Peninsula. The private-sector conference, commonly known as the Shimoda Conference, allowed representatives from both countries to engage in four days of in-depth discussion on the future of the bilateral relationship. The Shimoda Conference, as the pioneer of private-sector exchanges between the two countries, was held nine times until the 1990s. The conference had a major impact on bilateral ties. Looking back on the series of conferences, a newspaper columnist compared the current situation of exchanges between Japan and the United States.

On the night of Sept. 15, the second day of the first Shimoda Conference, then Senate Majority Leader Mike Mansfield of the Democratic Party gave a special lecture, in which he stated:

"Why don't we consider letting the Soviet Union join the United States and Japan in studying security issues in the western Pacific region. Three-party talks might help swiftly resolve the Ryukyu

TOKYO 00002727 014 OF 017

territory issue, and could even accelerate a final settlement of the dispute with the Soviet Union over the four islands of Kunashiri, Etorofu, Shikotan, and Habomai."

At that time in the Cold War, the return to Japan of the administrative authority over Okinawa was a major issue between Tokyo and Washington. Then Secretary of State Dean Rusk immediately stated that the remark by Mansfield, a prominent figure in the Democratic Party, was "his own personal view," revealing how focused the attention on the conference was.

Shimoda, opened to the West in 1858, when Japan concluded a treaty of peace and amity with the United States, was the place from which Japan-U.S. exchanges started. Japan Center for International Exchange (JCIE) President Tadashi Yamamoto, who together with Columbia University Professor Herbert Passin, the U.S. side's director, was the driving force in starting the conference, commented: "Prof. Passin and I spent three days on the Izu Peninsula looking for a good place to hold the conference, driving from north to south. We finally found a hotel that was just the right size."

When the first Shimoda Conference was wrapped up, it released a summary of the discussions that contained a recommendation of an early return of Okinawa to Japan.

Set off by this conference, exchange programs for members of the Congress and the Diet were initiated in 1977. About 160 Japanese lawmakers have visited the U.S. so far, while about 200 U.S. members of the Congress have come to Japan. The Shimoda Conference and the exchange programs for legislators have contributed to nurturing invaluable assets supporting exchanges between Japan and the United States.

Then Rep. Ronald Rumsfeld, who attended the first conference and engaged in the exchange programs for lawmakers from the first round, served twice as secretary of defense. He put in every effort to realign U.S. forces in Japan under the Bush administration. After serving in key congressional posts, Howard Baker and Thomas Folly each became ambassador to Japan. The two also took part in the exchange programs. Columbia University Prof. Gerald Curtis, a well-known Japan expert and political scientist, has been engaged in the exchange programs from the beginning, achieving enormous results for mutual understanding.

It is said that Japan-U.S. relations entered their best honeymoon-like period in recent years, owing to personal relationship of trust between President George W. Bush and then Prime Minister Junichiro Koizumi. Both took office in 2001.

However, Yamamoto is concerned that although the relationship between top leaders deepened, average Americans have lost interest in Japan.

The United States is now more interested in China, which is growing rapidly. The annual number of American lawmakers who visit Japan has dropped to less than 10. Japanese Diet members tend to visit only specific U.S. government officials.

Since the collapse of the economic bubble in the early 1990s, both corporate contributions and government budgets have decreased. The financial situations of non-governmental organizations, which have supported the Japan-U.S. exchanges, have become difficult. As it

TOKYO 00002727 015 OF 017

stands, the number of venues for Japan and the U.S. to engage in discussions has decreased.

Yamamoto said: "For the sake of Japan's national interests, the government and corporations should continue to contribute money. Unfortunately, they see only what is now before their eyes. It is very difficult now to build a bilateral relationship from a long-range perspective.

(12) TOP HEADLINES

Asahi: Nikkei: Tokyo Shimbun:
Central banks to double amount of dollar injections into money markets to 65 trillion yen

Mainichi:
Citigroup to buy failing Wachovia Bank brokered by U.S. government

Yomiuri:
Premier preempts DPJ with cross-question over supplementary budget, continuation of refueling mission

Sankei:
Prime Minister Aso indicates in policy speech strong desire to pass supplementary budget bill

Akahata:
Prime Minister Aso delivers policy speech: In unusual move, asks questions to opposition parties

(13) EDITORIALS

Asahi:
(1) Aso's policy speech in election mode
(2) Pakistan: Turmoil in nuclear country worrisome

Mainichi:
(1) Prime minister's policy speech was like interpellations by opposition party representatives
(2) U.S. monetary measures: Flexible application needed to tide over crisis

Yomiuri:
(1) Prime minister's policy speech: How will DPJ President Ozawa

respond?

(2) U.S. financial stabilization bill: Agreement with Congress is progress, but...

Nikkei:

(1) We want to hear DPJ President Ozawa's reply to Prime Minister Aso's unprecedented policy speech

(2) Will purchases of bad loans progress?

Sankei:

(1) Prime minister's policy speech: Deepen battle of words on the way the state should be

(2) U.S. financial stabilization bill: Effective system urged

Tokyo Shimbun:

(1) Aso speech: Explain his own policy before challenging opposition parties

(2) Supplementary budget bill: Revival of influence-peddling budget

TOKYO 00002727 016 OF 017

Akahata:

(1) Prime Minister Aso's policy speech: Full of politics but no stance that takes the public's perspective in mind

(14) Prime Minister's schedule, September 29

NIKKEI (Page 2) (Full)

September 30, 2008

09:03

Attended a special cabinet meeting at the Kantei. Issued an official appointment to Special Advisor Nakayama, with Chief Cabinet Secretary Kawamura present. Posed for a photo.

09:56

Made an informal representation at the Imperial Palace. Attended a ceremony to formally appoint Kazuyoshi Kaneko as construction and transport minister.

10:40

Issued an official appointment to Kaneko at the Kantei, with Kawamura present. Posed for a photo.

11:31

Met Deputy Chief Cabinet Secretary Matsumoto.

12:02

Attended a Lower House plenary session.

12:16

Attended an administrative vice ministerial meeting at the Kantei.

12:58

Attended the opening ceremony of the extraordinary Diet session at the Upper House Chamber.

14:02

Attended a Lower House plenary session.

15:01

Attended an Upper House plenary session.

15:34

Arrived at the Kantei.

16:26

Made an informal representation at the Imperial Palace. Attended a ceremony to formally appoint vice ministers.

18:53

Posed for a photo with the vice ministers. Instructed the Cabinet Office vice minister to take charge, with Kawamura present. Later attended a vice ministerial meeting.

19:29

Issue official appointments to ministerial aides. Posed for a photo.

19:44

Met Kawamura. Attended a meeting of ministerial aides.

TOKYO 00002727 017 OF 017

20:45

Returned to his private residence in Kamiyama-cho.

SCHIEFFER